

2003 MICHIGAN SBT Investment Tax Credit

2003
C-8000ITC

Form Code 6

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
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PART 1: CAPITAL INVESTMENTS

Read the instructions to ensure eligibility before claiming this credit.

3. Enter all eligible depreciable tangible assets **located in Michigan** that were acquired during the tax year.

a. Description	b. Location	c. Date Acquired	d. Cost Paid or Accrued During Tax Year

▶ 4. Total column 3d ▶ 4.00

5. Enter all eligible depreciable tangible assets purchased or acquired for use outside of Michigan in a tax year beginning after December 31, 1996 that were **transferred into Michigan** during the tax year.

a. Description	b. Location	c. Date Physically Located in Michigan	d. Federal Adjusted Basis as of Date Moved

▶ 6. Total column 5d ▶ 6.00

7. Enter all depreciable **mobile tangible assets** that were acquired during the tax year.

a. Description	b. Location	c. Date Acquired	d. Cost Paid or Accrued During Tax Year

▶ 8. Total column 7d ▶ 8.00

9. **Apportioned Mobile Tangible Assets.** If you are subject to apportionment, multiply line 8 by the percentage from C-8000H, line 16 or 19, whichever applies 9.00

▶ 10. **Total Capital Investments.** Add lines 4, 6 and 8 or lines 4, 6 and 9, whichever applies ▶ 10.00

▶ 11. Enter the total cost paid or accrued of all depreciable real and personal property located **everywhere** that was acquired during the tax year. (Authorized under MCL 208.80(3)) ▶ 11.00
This figure is for statistical purposes and should **not** be used in any calculation.

Continue on page 2.

PART 2: RECAPTURE OF CAPITAL INVESTMENTS

12. Enter all depreciable tangible assets **located in Michigan** that were acquired or moved into Michigan after acquisition in a tax year beginning after December 31, 1999 and were sold or otherwise disposed of during the tax year.

a. Description	b. Location	c. Date Acquired	d. Date Sold	e. Gross Sales Price	f. Gain or (Loss)

- ▶ **13.** Total columns 12e and 12f. A loss on 13f will increase recapture **13.** ▶
14. **Adjusted Proceeds.** If line 13f is a gain, subtract it from 13e. If line 13f is a loss, add it to 13e 14. .00
If taxable in another state, complete lines 15 and 16; otherwise, go to line 17.
15. Apportioned gains or (losses). Multiply line 13f by the percentage from C-8000H, line 16 or line 19, whichever applies 15. .00
16. **Apportioned Adjusted Proceeds.** If line 15 is a gain, subtract it from 13e. If line 15 is a loss, add it to 13e 16. .00

17. Enter all depreciable **mobile tangible assets** that were acquired in a tax year beginning after December 31, 1999 and were sold or otherwise disposed of during the tax year.

a. Description	b. Location	c. Date Acquired	d. Date Sold	e. Gross Sales Price	f. Gain or (Loss)

- ▶ **18.** Total columns 17e and 17f. A loss on 18f will increase recapture **18.** ▶
19. **Adjusted Proceeds.** If line 18f is a gain, subtract it from 18e. If line 18f is a loss, add it to 18e 19. .00
If taxable in another state, complete line 20; otherwise, go to line 21.
20. **Apportioned Adjusted Proceeds.** Multiply line 19 by the percentage from C-8000H, line 16 or 19 20. .00

21. Enter all depreciable tangible assets other than mobile property acquired in tax years beginning after December 31, 1996 that were eligible for the Investment Tax Credit in tax years beginning after December 31, 1999 and were **transferred outside Michigan** during the tax year.

a. Description	b. Location	c. Date Acquired	d. Date Transferred	e. Adjusted Federal Basis

- ▶ **22.** Total column 21e ▶ **22.** .00
- ▶ **23. TOTAL RECAPTURE of Capital Investments.** Add lines 14, 19 and 22 OR lines 16, 20 and 22, whichever apply ▶ **23.** .00

PART 3: NET CAPITAL INVESTMENT

24. **Net Capital Investment.** Subtract line 23 from line 10 24. .00

PART 4: CALCULATION OF INVESTMENT TAX CREDIT

25. Divide the current tax rate of 1.9 % by 2.3% (.023) 25. .826086
26. Multiply line 25 by the adjusted gross receipts percentage ____ % from table in the inst. 26. _____
- ▶ **27. INVESTMENT TAX CREDIT.** Multiply line 26 by line 24. If line 27 is negative, do not complete Part 5. ▶ **27.** .00

PART 5: COMPENSATION REDUCTION ADJUSTMENT TO INVESTMENT TAX CREDIT

28. Divide current tax rate of 1.9 % by line 26 28. _____
29. Multiply line 28 by ____ % from C-8000S, line 6 29. _____
30. Reduction. Multiply line 29 by line 27 30. .00
 If line 30 is greater than line 27, this credit is not available. Enter 0 on line 31.
- ▶ **31. REDUCED INVESTMENT TAX CREDIT.** Subtract line 30 from line 27 ▶ **31.** .00

PART 6: DETERMINING TAX LIABILITY

32. Enter the amount from C-8000, line 43, Tax Before All Credits 32. .00
33. Enter either line 27, Investment Tax Credit OR
 line 31, Reduced Investment Tax Credit, whichever applies 33. .00
- ▶ **34.** Enter any credit carryforward from previous year(s) ▶ **34.** .00
35. Total credit to be applied to tax liability. Add lines 33 and 34 35. .00
Note: A negative amount on line 35 will increase your tax liability.
36. Enter the amount from line 32 or 35 whichever is smaller 36. .00
37. **TAX LIABILITY.** Subtract (if negative, add) line 36 from line 32 and carry to C-8000, line 44 37. .00
- ▶ **38.** Credit Carryforward. If line 35 is greater than line 32, enter the difference ▶ **38.** .00

Instructions for C-8000ITC Investment Tax Credit

Purpose: To calculate an Investment Tax Credit (ITC) or an ITC recapture to be applied against the tax liability.

For tax years beginning after 1999, taxpayers may claim an ITC for a percentage of the net costs paid or accrued in a taxable year for qualifying tangible assets physically located in Michigan. The assets must be of a type that are or will become eligible for depreciation or amortization for federal income tax. Mobile tangible assets, wherever located, which would be subject to apportionment in the same manner as the tax base, and assets purchased or acquired for use outside the state and later moved into the state, also qualify for the ITC. The ITC must be taken before any other credit.

The ITC is calculated by multiplying net capital investments made in Michigan during the taxable year by an annualized percentage determined by dividing the SBT tax rate in effect for the year by the pre-1999 rate of 2.3%. The result is multiplied by a percentage based on adjusted gross receipts.

The ITC is not available if a gross receipts reduction to the adjusted tax base is taken to arrive at the tax liability. If the adjusted tax base is greater than 50% of the adjusted gross receipts, the adjusted tax base may be reduced by the excess on Form C-8000S, *SBT Reductions to Adjusted Tax Base*. In addition, the SBT Act allows taxpayers to reduce the adjusted tax base when the percentage of the tax base attributable to compensation exceeds 63%. If this reduction is elected, the ITC must also be reduced.

If a taxpayer acquires depreciable real or personal property during the taxable year, or disposed of depreciable real or personal property that was acquired in a tax year beginning after December 31, 1999, complete this form and attach it to the annual return.

Line-By-Line Instructions

Lines not listed are explained on the form.

Line 2, Account Number. Enter the same account number used on page 1 of the Annual Return.

PART 1: Capital Investments.

Use Part 1 to determine the total eligible capital investments for the tax year. If more space is needed for any item, attach a separate sheet with appropriate information.

Line 3. Enter the description, location, date acquired and the total cost paid or accrued of all eligible depreciable tangible assets located in Michigan that were acquired during the tax year.

Line 5. Enter the description, location, date physically located in Michigan and the federal adjusted basis as of the date moved, of all eligible depreciable tangible assets purchased or acquired for use outside of Michigan in a tax year beginning after December 31, 1996 that were moved into Michigan during the tax year for a business use. Do not include Mobile Tangible Assets. The cost is the federal basis used for determining gain or loss as of the date the asset is physically located within the state.

Line 7. Enter the description, location, date acquired and the total cost paid or accrued for all depreciable mobile tangible assets that were acquired during the tax year, whether located in Michigan or outside Michigan.

Mobile tangible assets are all of the following:

- Motor vehicles that have a gross vehicle weight rating of 10,000 pounds or more and are used to transport property or persons for compensation;
- Rolling stock (railroad freight or passenger cars, locomotives, or other railcars), aircraft and watercraft used by the owner to transport property or persons for compensation or used by the owner to transport the owner's property for sale, rental or further processing; and
- Equipment used directly in completion of, or in construction contracts for, the construction, alteration, repair or improvement of property.

Line 9, Apportioned Mobile Tangible Assets. If taxable in another state, multiply line 8 by the percentage from Form C-8000H, *SBT Apportionment Formula*, line 16 or 19, whichever is applicable.

Line 10, Total Capital Investments. Add lines 4, 6 and 8 or 9 whichever applies. This amount will be used to determine the Net Capital Investment in Part 3.

Line 11. This figure is being requested for statistical purposes only. Collection of this information is authorized under MCL 208.80(3).

PART 2: Recapture of Capital Investments.

Use Part 2 to compute the adjusted proceeds (proceeds include any benefit derived) from the disposition of depreciable real or personal property that was acquired in a tax year beginning after December 31, 1999 and the recapture for property moved out of state. If more space is needed for any item, attach a separate sheet with the appropriate information.

Line 12, columns a through f. Enter gross proceeds from all dispositions of **depreciable tangible assets located in Michigan** that were acquired or moved into Michigan after acquisition in a tax year beginning after December 31, 1999 and were sold or otherwise disposed of during the tax year. Give all the information required for each disposition in columns a-f.

Line 13, columns e and f. Enter the total gross proceeds in column e. In column f enter the total gain or loss included in federal taxable income. Total gain is before capital gain deduction.

Line 14, Adjusted Proceeds. Subtract the total gain or add the total loss on line 13, column f, to the gross proceeds on line 13, column e. A loss on line 13, column f, will increase the recapture.

Line 15, Apportioned Gains or (Losses). Multiply line 13f by the percentage from Form C-8000H, line 16 or 19, whichever applies.

Line 16, Apportioned Adjusted Proceeds. If line 15 is a gain, subtract it from 13e. If line 15 is a loss, add it to 13e.

Line 17, Mobile Tangible Assets. Enter gross proceeds from all dispositions of **depreciable mobile tangible assets** that were acquired in a tax year beginning after December 31, 1999 and were sold or otherwise disposed of during the tax year. Give all the information required for each disposition in columns a-f.

Line 18, columns e and f. Enter the total gross proceeds in column e. In column f, enter the total gain or loss included in federal taxable income. Total gain is before capital gain deduction.

Line 19, Adjusted Proceeds. Subtract the total gain or add the total loss on line 18, column f, to the gross proceeds on line 18, column e. A loss on line 18, column f, will increase the recapture.

Line 20, Apportioned Adjusted Proceeds. Multiply line 19 by the percentage from Form C-8000H, line 16 or 19, whichever applies.

Line 21. Enter all the **depreciable tangible assets** other than mobile property acquired in tax years beginning after December 31, 1996 that were eligible for the ITC in tax years beginning after December 31, 1999 and were **transferred outside Michigan** during the tax year. Give all the information required for each disposition in columns a-e.

Line 23, Total Recapture of Capital Investments. If taxable only in Michigan, add lines 14, 19 and 22. If taxable in another state, add lines 16, 20 and 22.

PART 3: Net Capital Investment

Line 24, Net Capital Investment. Subtract line 23, Total Recapture of Capital Investments from line 10, Total Capital Investments.

PART 4: Calculation of Investment Tax Credit

Line 26, ITC. Multiply the result of line 25 by the adjusted gross receipts percentage from the table below. Please indicate that percentage on the form.

INVESTMENT TAX CREDIT Adjusted Gross Receipts Percentage Table

<u>Adjusted gross receipts</u>	<u>Use this percentage</u>
\$1,000,000 or less	2.3% (.023)
\$1,000,001 - \$2,500,000	1.5% (.015)
\$2,500,001 - \$5,000,000	1.0% (.01)
\$5,000,001 and above	0.85% (.0085)

Adjusted gross receipts for the purpose of the ITC means gross receipts, apportioned or allocated to Michigan, plus recapture of the Capital Acquisition Deduction for assets acquired in tax years beginning before 1/1/2000 and the ITC recapture adjustments on line 23 of this form for assets acquired in tax years beginning after 12/31/99. Adjusted gross receipts must be annualized if the return is for a period of less than 12 months. Controlled groups must use the amount on Form C-8010AGR, *SBT Adjusted Gross Receipts for Controlled Groups*, line 6.

① **Important:** For further information about adjusted gross receipts, see "Notice to Single Business Tax Filers" on page 75 of this booklet.

Line 27, Investment Tax Credit. Multiply line 26 by line 24, Net Capital Investments. If the result is a negative number, do not complete Part 5, go to Part 6.

Complete Part 5 only if a compensation reduction was taken on Form C-8000S, *SBT Reductions to Adjusted Tax Base*. If a compensation reduction was not taken, go to part 6.

PART 5: Compensation Reduction Adjustment to Investment Tax Credit.

Line 29. Multiply line 28 by the percentage used on Form C-8000S, line 6. Please indicate that percentage on the form.

Line 30, Reduction. Multiply line 29 by line 27. This reduction cannot exceed the ITC reported on line 27. If this amount is greater than line 27, a taxpayer is not eligible for this credit and should enter 0 on line 31.

Line 31, Reduced Investment Tax Credit. Subtract line 30 from line 27.

PART 6: Determining Tax Liability.

Line 32. Enter the amount from Form C-8000, line 43, Tax Before All Credits.

Line 33. Enter the amount from either line 27 or 31, whichever applies.

Line 35. Add lines 33 and 34 and enter the total. If the total is a negative amount, the tax liability will increase.

Line 36. Enter the smaller of lines 32 or 35.

Line 37, Tax Liability. Subtract line 36 from line 32. If line 36 is a negative number, it must be added to line 32 to determine tax liability. This amount is entered on Form C-8000, line 44.

Line 38, Credit Carryforward. If the total of available credit on line 35 is greater than the tax liability on line 32, enter the difference here. This amount can be carried forward for 9 years from the year it was created.

Attach this schedule to the return.